

Why is it not in the best interest of the City of Troy or its residents to install a second water meter for outdoor or irrigation purposes?

The City of Troy does not have a second water meter available for dedicated outdoor or irrigation uses. There are a few basic premises that are important to understand in discussing why it is not in the best interest of the City of Troy or its residents to have a second water meter for outdoor or irrigation use.

- The City of Troy Water and Sewer Division is operated and maintained as a not for profit entity of the Public Works Department.
- All funds billed for and collected by the City are used directly for the purchase of water, the disposal of sewage, and for the operation and maintenance of these systems.
- The Detroit Water and Sewer Department (DWSD) **does not** make any distinction between water used for domestic purposes, outdoor or irrigation use. Water used for any purpose has a sewage disposal charge associated with it.
- City of Troy customers as a whole pay for all water and sewer costs.
- There is no profit, nor is there any subsidy in the system that could be drawn upon to reduce or eliminate sewer charges for water that does not flow into a sanitary sewer.

The City of Troy is one of 125 suburban customers serviced by the DWSD. We currently are able to aggressively maintain our water and sewer systems at an overhead cost of approximately 63% over what we pay for water and sewer costs charged directly to us by the DWSD. We are operating our system with one of the lowest overhead costs out of these 125 suburban customers. Many other communities vary from 100% to 350% in comparative overhead costs.

Adding equipment (a second water meter) to the system will increase costs in labor and material for meter replacement, inspections, maintenance operations and our reading and billing operations. These increases will directly affect our overhead costs.

In addition, it would give the perception that more water could be used for outdoor or irrigation purposes, deterring consumers from conserving. It is important to conserve water system-wide. Conservation reduces our peak hour and peak day demand, which are the key measurement factors used to determine the price we pay to the Detroit Water and Sewer Department (DWSD). Higher peaks increase the supply cost to the City of Troy, thereby raising the rates we pay to DWSD.

In a water system that allows for a second water meter, for outdoor or irrigation purposes, the second meter is not assessed a sewer charge. These un-assessed charges, which are still billed to the municipality by DWSD, are then unfairly passed on to all other customers not receiving this discount.

Based on the City of Troy's summer water consumption and winter water consumption, it is estimated that 33.4% of water used in Troy is used for out-of-door or irrigation purposes. If all of the out-of-door or irrigation usage was not charged a sewer disposal fee, the City of Troy sewer rates to its customers would increase by approximately 50% to cover the cost of these discounted second water meters.

To summarize: Why is it not in the best interest to the City of Troy or its residents to install a second water meter for outdoor or irrigation purposes?

- Cost for sewage disposal would unfairly be diverted to other City of Troy water customers.
- Overhead costs would increase, raising the water rates the City of Troy charges to its customers.
- It would encourage additional irrigation and discourage conservation. In turn, increasing our peak hour and peak day demands on the DWSD system, thus increasing the rates that the DWSD charges the City of Troy.